

DEPARTMENT OF ADMINISTRATION
LOCAL GOVERNMENT SERVICES BUREAU
STANDARD AUDIT CONTRACT

THIS CONTRACT is made this _____ day of _____, _____, by and between

(Certified or Licensed Public Accountant)

hereinafter referred to as the "**Contractor**",

(Governmental Entity)

hereinafter referred to as the "**Entity**", and the **Montana Department of Administration, Local Government Services Bureau**, hereinafter referred to as the "**State**", acting under the authority of Title 2, Chapter 7, Part 5, of the Montana Code Annotated. It is hereby agreed that:

1. **This contract is not effective with respect to any party until it is approved and signed by the State, as required by Section 2-7-506(3), MCA. The Contractor may not begin any audit work until the State gives this approval.** If the Contractor begins work before the State has approved the contract and the State subsequently does not approve the contract, the Contractor is not entitled to receive any compensation for the work performed.
2. The audit period or periods covered by this contract begins _____, 20____ and ends _____, 20____.
 - a. In consideration of the faithful performance of this contract, the Entity will pay the Contractor for the audit work on the basis of time and necessary out-of-pocket expenses, which will not exceed:

\$_____ for initial (or sole) audit covering ____/____/____ to ____/____/____.
\$_____ for subsequent audit covering ____/____/____ to ____/____/____.
\$_____ for subsequent audit covering ____/____/____ to ____/____/____.

The fees are set out in detail in Appendices A, B & C, as applicable, which are attached hereto and by this reference made a part hereof.
 - b. Where the cost of any subsequent audit is not agreed upon at the time this contract is executed, the cost will be negotiated by the Contractor and the Entity. The results of this negotiation will be set forth in the Appendices and made a part of this contract. The Contractor will provide the State and the Entity with a copy of the appropriate Appendices.
 - c. The total cost of the Contract Audit does not include the cost of additional work that may be required in the event the Contractor discovers a defalcation or material irregularity. Any change in the scope of the audit services to be provided under this contract requires a contract amendment.

2. continued:

- d. The Contractor may submit interim bills to the Entity each month, based upon the estimated percentage of completion of the contract. The Entity may retain 10 percent of each of these estimates until the Contractor has delivered the final audit report, at which time the Entity will release the amount retained.

3. The Contractor will conduct a financial statement audit of the Entity:

- a. The audit will be made in accordance with generally accepted auditing standards adopted by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The objective of the audit is the expression of an opinion by the Contractor on the financial statements of the Entity. The Contractor will obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Accordingly, a material misstatement may remain undetected. Also, the audit will not be designed to detect error or fraud that is immaterial to the financial statements. If, for any reason, the Contractor is unable to complete the audit or is unable to form or has not formed an opinion, the Contractor may decline to express an opinion or decline to issue a report as a result of the engagement.
- b. The audit will include tests of internal control over financial reporting, but will not be designed to provide an opinion on internal control or to identify reportable conditions (or significant deficiencies, depending on the terminology appropriate to the professional standards in effect for the year(s) being audited). The Contractor, however, will be responsible for making the Entity aware, in writing, of any reportable conditions (or significant deficiencies) that come to the Contractor's attention.
- c. The audit will include tests of compliance and other matters as required by Government Auditing Standards, but will not be designed to provide an opinion on such compliance.
 - (1) The audit will include tests to determine whether the Entity has complied with all appropriate statutes and regulations, as required by Section 2-7-502, MCA.
 - (2) The audit will include tests to determine whether the Entity has complied with the provisions of each of its revenue bond ordinances and indenture agreements.
 - (3) If the audit is of a county, city or town, it will include tests to determine whether money is or has been retained in a local charge for services fund contrary to the requirements of Section 17-2-301 through 17-2-303, MCA, as required by Section 17-2-302, MCA. **The Contractor will report any findings of noncompliance with the provisions of these statutes, regardless of materiality.**
 - (4) If the audit is of a county or consolidated city/county government, the audit will include tests for compliance with state laws relating to receipts and disbursements of agency funds maintained by the Entity, as required by Section 2-7-505, MCA.
- d. When applicable, the audit will meet all requirements of the Federal Single Audit Act of 1984, as amended by the Single Audit Act Amendments of 1996 and OMB Circular A-133.

3. continued:

- e. The audit scope with regard to federal financial assistance for each fiscal year covered by this audit contract will be as specified in Appendices A, B and C, which are attached to this contract and by this reference made a part of this contract.
- f. For purposes of determining the scope of the audit, the Entity will be considered to be the financial reporting entity as defined by the Governmental Accounting Standards Board.
- g. The audit of any school district will also include:
 - (1) Tests to verify the accuracy of the school district's enrollment for the fiscal year or years being audited as reported to the Office of Public Instruction in the Fall and Spring enrollment reports.
 - (2) When applicable, an audit of the extracurricular funds for pupil functions.
- h. If the Entity is a school district or associated cooperative, the Contractor will contact the State Office of Public Instruction and the county superintendent of schools prior to or during the audit of the Entity. These contacts will be made to determine whether those offices are aware of potential financial or legal compliance problems relating to the Entity that could affect the scope of the audit.
- i. The Contractor will immediately notify the Entity and the State in writing of any material irregularities it discovers. If the Entity is a school district or special education cooperative, the Contractor will also notify the Office of Public Instruction.
- j. The Contractor will provide the Entity with a copy of its most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract.

4. The Entity will be responsible for:

- a. Its basic financial statements, including note disclosures;
- b. Establishing and maintaining effective internal control over financial reporting;
- c. Identifying and ensuring that it complies with the laws and regulations applicable to its activities;
- d. Making all financial records and related information available to the Contractor;
- e. The schedule of expenditures of federal awards required for audits conducted under OMB Circular A-133;
- f. Adjusting the financial statements to correct material misstatements; and
- g. Providing the Contractor, at the conclusion of the audit engagement, with a letter that confirms certain representations made during the audit, including an affirmation that the effects of any uncorrected misstatements aggregated by the auditor during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

5. The Entity will prepare its annual financial report or a trial balance of accounts no later than the dates specified in Appendices A, B and C. If the Entity is unable to prepare its annual financial report or trial balance by the date specified in the Appendices, the Entity will notify the Contractor and the State in writing.
6. The Contractor will begin the field audit work, and will deliver the audit report to the Entity and the State, in accordance with the schedule established in Appendices A, B and C. If the Contractor cannot deliver the audit report to the Entity and the State on the date specified in the Appendices, the Contractor will notify the Entity and the State in writing of that fact, and the reason(s) thereof. The Contractor will then request in writing an extension from the State. The State's approval or denial of this request will also be in writing.
7. Pursuant to Section 2-7-503(3)(a), MCA, all audits must be completed and the reports issued within one year from the close of the last fiscal year covered by the audit. If the audit is conducted in accordance with the provisions of OMB Circular A-133, the Contractor will also complete the audit and issue the audit report within the time period required by that Circular, unless a longer period has been agreed to in advance by the federal cognizant or oversight agency for audit.
8. The final audit report must contain basic financial statements and required supplementary information in accordance with financial reporting standards in effect for the year or years being audited, as established by the Governmental Accounting Standards Board. In addition, other supplementary information required by provisions within this contract and by OMB Circular A-133 must also be included, if applicable.
 - a. The final audit report must also contain any other financial statements and supporting schedules and information as agreed upon by the Entity and Contractor.
 - b. The financial statements presented should be in accordance with the financial reporting standards in effect for the year or years being audited, as described above. If the accounting records or other circumstances will not permit financial statements to comply with these requirements, the Contractor will notify the State of those conditions and describe the financial statements that will be presented. This notification will be in writing. The applicable auditor's reports will also be modified as required.
 - c. If the audit is of a school district with separate elementary and high school district general funds, the general funds will be combined as a single major fund. All other funds will be separately considered for major fund criteria.
 - d. If the audit is a biennial audit covering two years, the Contractor will present complete financial statements as specified above for each year covered by the audit. The two years must, however, be presented under one audit report cover, and opined upon in one Independent Auditor's Report.
9. All audit reports will contain the following auditor's reports, which must comply with applicable professional standards in effect for the fiscal year or years being audited:
 - a. An independent auditor's report on the financial statements of the Entity.
 - b. A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards. If applicable, this report should include information about fraud, illegal acts, significant violations of provisions of contracts or grant agreements, and significant abuse, or indications of these acts.

9. continued:

- c. A report disclosing any lack of compliance with State statutes, rules, regulations, or ordinances that would not have a material effect on the financial statements. This report must be referred to in the report required in 9.b. above. This report may be combined with other reports if appropriate, or the findings may be included in a management letter. If included in a management letter, that letter must be included as a part of, or accompanying, the audit report.
 - d. A report on supplemental schedules or information, including the supplemental schedule of school district enrollment required by paragraph 11.a. and the supplemental schedule of school district extracurricular fund financial activities required by paragraph 11.b., if any such schedules or information are presented in the audit report. This report may be given in a supplemental information paragraph of the auditor's report on the financial statements 9.a. above, or in a separate report.
 - e. A report disclosing the action taken by the Entity to correct any deficiencies or implement any recommendations contained in the prior audit report. This report must be in a format that specifically identifies, by title or summary, each deficiency or recommendation contained in the prior audit report and the action taken by the Entity on each such deficiency or recommendation.
 - f. If the Contractor includes audit findings in the reports referenced in 9.b. and 9.c. above or in a management letter, the views of entity officials and their planned corrective actions should also be included, as required by Government Auditing Standards, if they are available at the time the Contractor files copies of the audit report with the State. If the views and planned corrective actions are not available at that time, the Contractor should so indicate in the reports.
10. All audit reports for single audits done in accordance with OMB Circular A-133 must also contain the following:
- a. A schedule of expenditures of federal awards.
 - (1) As required by OMB Circular A-133, the schedule must:
 - (a) List individual federal programs by federal agency. For federal programs included in a cluster of programs, list individual federal programs within a cluster of programs.
 - (b) For federal awards received as a subrecipient, include the name of the pass-through entity and identifying number assigned by the pass-through entity.
 - (c) Provide total federal awards expended for each individual federal program and the CFDA number or other identifying number when the CFDA information is not available.
 - (d) Include notes that describe the significant accounting policies used in preparing the schedule.
 - (e) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each federal program.

10. continued:

- (f) Include, in either the schedule or a note to the schedule, the value of the federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule.
- (2) In addition, to provide information requested by State pass-through agencies for use in monitoring subrecipients, the schedule must contain:
 - (a) The program or award amount;
 - (b) The cash balance or fund balance of the program at the beginning of the audit period;
 - (c) Federal receipts or revenues for the program for the audit period;
 - (d) Other receipts or revenues for the program such as program income, matching funds, or other receipts/ revenues for the audit period;
 - (e) Non-federal expenditures associated with the program, if determinable; and
 - (f) The cash balance or fund balance of the program at the end of the audit period.
- b. A report on the schedule of expenditures of federal awards. This report may be combined with other reports as provided by OMB Circular A-133 and professional standards. This report must comply with applicable professional standards in effect for the fiscal year or years being audited.
- c. A report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133. Where applicable, this report should refer to the separate schedule of findings and questioned costs described in paragraph 10.d. of the contract. This report must comply with applicable professional standards in effect for the fiscal year or years being audited.
- d. A schedule of findings and questioned costs which must include the information required by OMB Circular A-133.
- e. The corrective action plan required by OMB Circular A-133, if that plan is available at the time the Contractor files copies of the audit report with the State. This corrective action plan may be combined with the Entity's planned corrective actions related to findings reported in accordance with Government Auditing Standards, as provided in paragraph 9.f., above.

11. School district audit reports must also include the following as supplemental information/schedules:

- a. A schedule of the district's enrollment as reported to the Office of Public Instruction for the fiscal year or years being audited. The schedule will contain the enrollment both as reported in the Fall and Spring enrollment reports and as documented by the school district's enrollment records.
- b. A detailed schedule of extracurricular fund financial activities

12. The final audit report must contain any material findings relative to economy, efficiency or effectiveness in operations that are noted by the Contractor during the audit, along with the Contractor's recommendations for improvement. The report must also contain any other recommendations or comments for improvement that the Contractor deems pertinent.
13. The Contractor must render a single, written report for the Entity audited. **The report must include, or be accompanied by, all written reports and letters discussing findings and recommendations from the Contractor to the Entity, including but not limited to the reports and schedules referred to in paragraphs 9 and 10 above as well as any management letters.**
14. Before submitting the final audit report, the Contractor will hold an exit review conference in which the audit results are discussed with those charged with governance and appropriate Entity officials and employees. **The Contractor must ensure that all members of the governing body and key members of management are notified of this exit conference.** The Contractor further agrees that prior to submitting the final report, it will not discuss the audit findings with anyone other than the Entity or the State. However, once the Contractor delivers the final audit report the report is deemed to be a public record.
15. The Contractor and Entity will file copies of the audit report as specified below.
 - a. The Contractor will provide the Entity with the number of copies of the audit report specified in Appendices A, B and C and the cost of those copies is included in the total price for the engagement as set out in paragraph 2.a., above, and in the Appendices. The Contractor will submit one of these copies to the attorney for the Entity.
 - b. Upon request by the Entity, the Contractor will provide additional copies of the audit report at a price per copy agreed upon by the Entity and Contractor.
 - c. The Contractor will provide the State with four copies of each audit report at no charge. **These copies will be sent to the State at the same time the Contractor delivers the final audit report to the Entity, and will include any management letters.** A letter of transmittal will accompany the State's copies which will advise the State as to the date of the exit conference, the date the final report was delivered to the Entity, the date of the audit report, the actual number of hours spent by the Contractor in the conduct of the audit, the total audit fees billed the Entity, whether the audit was conducted in accordance with the provisions of OMB Circular A-133, and whether there were any findings or opinion qualifications in the audit report, and if so whether the entity's corrective action plan or response was included as part of or submitted with the audit report.
 - d. If the Entity is a school district or associated cooperative, the Contractor will provide copies of the audit report to the Office of Public Instruction, the county superintendent of schools, and the county attorney.
 - e. If the Entity is a city or town fire department relief association disability and pension fund, the Contractor will provide one copy of the audit report to the city or town clerk.
 - f. If the audit is a single audit conducted in accordance with the provisions of OMB Circular A-133, the Entity will provide copies of the reporting package defined in OMB Circular A-133 and the data collection form to the federal clearinghouse designated by OMB. In addition, the Entity will provide either a copy of the reporting package, or the alternative written notification as described by OMB Circular A-133 to all federal, state and other granting and pass-through agencies as required by Circular A-133.

16. If not included in the audit report as provided in paragraphs 9.f. and 10.e., within 30 days after receiving the audit report the Entity will notify the State in writing as to what action it plans to take to correct any deficiencies or implement any recommendations identified or contained in the audit report, as required by Section 2-7-515, MCA, and ARM 2.4.409. **This notification will also address any findings and recommendations contained in management letters, which are considered a part of the audit report as prescribed in paragraph 13.** If the audit is a single audit conducted in accordance with OMB Circular A-133, this corrective action plan will also meet the requirements of Circular A-133 and contain all information required by that Circular.
17. If requested by the State, the attorney for the Entity will report to the State on the actions taken or the proceedings instituted or to be instituted relating to violations of law and nonperformance of duty as required by Section 2-7-515(4), MCA. The attorney will report to the State within 30 days after receiving the request.
18. The Contractor certifies that, as required by generally accepted government auditing standards, it and its principals and employees are independent in all matters with respect to this engagement. The Contractor will neither arrange for, nor accept, non-auditing work with the Entity which could in any way impair the Contractor's independence in violation of professional standards. If required by the State, the Contractor must document that independence has been maintained in both fact and appearance as required by professional auditing standards.
19. The Contractor will be the prime contractor and shall be responsible, in total, for all work of any subcontractors. The Contractor will obtain the **written approval of the Entity and the State prior** to engaging correspondent Contractors, consultants, or subcontractors to provide services in connection with this audit. **Any Contractors subcontracted to perform audit work must be on the Roster of Independent Auditors authorized to conduct audits of Montana local governments that is maintained by the Local Government Services Bureau.** The Contractor shall be responsible to the Entity and the State for the acts and omissions of all correspondent Contractors, consultants, subcontractors, or agents and of persons directly or indirectly employed by such correspondent Contractors, consultants, subcontractors or agents, and for the acts and omissions of persons employed directly by the Contractor. Further, nothing contained within this Contract shall create any contractual relationship between any correspondent Contractor, consultant, or subcontractor and the State.
20. The State may participate in all entrance and exit conferences between the Entity and Contractor, as well as all major conferences dealing with audit exceptions and recommendations regarding accounting or operating procedures, management policies, or internal control changes.
21. The Contractor will give the State and, when required by law, the Montana Legislative Audit Division, access to the Contractor's audit programs, supporting working papers, time records, and all other documents relating to the audit. Access to these documents will be provided at the State's offices in Helena, Montana. Access to working papers includes the right of the State to obtain copies of working papers, as is reasonable and necessary. The Contractor also agrees to make the audit programs and supporting working papers available to the State for use by the State or other public accounting firms as directed by the State in future audits of the Entity. The contractor also agrees to make the audit programs and supporting working papers available to the cognizant or oversight agency for audit or its designee, federal agencies providing direct or indirect funding, or the U.S. General Accounting Office, if requested. Access to working papers includes the right of federal agencies to obtain copies of working papers, as is reasonable and necessary. The Contractor will retain the audit report, audit programs, and audit working papers for a minimum of four years from the date of the audit report, unless the State notifies the Contractor to extend the retention period. If professional standards or other

21. continued:

applicable laws, rules, or regulations require a longer retention period, the auditor will retain the above materials for that specified period.

22. As provided by Section 2-7-522, MCA, the State may review the audit report submitted by the Contractor. If the State determines that reporting requirements have not been met, it will notify the Entity and the Contractor of the significant issues of noncompliance. The Contractor must correct the identified deficiencies within 60 days of notification.
23. The Entity and the State recognize that the Contractor is an independent public accountant, and neither the Entity nor the State will request or require the Contractor to surrender its "independence," as this term is professionally understood and used concerning public accountants. It is understood by the parties to this contract that the Contractor is an independent contractor and that neither its principals nor its employees are employees of the State or Entity for purposes of tax, retirement system, or social security (FICA) withholding.
24. The Contractor certifies that it carries Workers' Compensation for its employees and that it has either elected Workers' Compensation or has an approved Independent Contractor's Exemption covering the Contractor while performing work under this contract. (Montana Code Annotated, Title 39, Chapter 71) Neither the Contractor nor its employees are employees of the State for the purposes of this paragraph.
25. The Contractor agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omission of the Contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of the State, under this agreement.
26. The Contractor must, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by the Contractor subjects subcontractors to the same provisions. In accordance with Section 49-3-207, MCA, the Contractor agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age marital status, physical or mental disability, or national origin by the persons performing the Contract.
27. The Entity will provide the Contractor with reasonable space in which to conduct the audit, and respond promptly to requests for information as well as for all necessary books and records. Support for clerical, equipment, and photocopying or reproduction services shall be agreed upon by the Entity and the Contractor as specified in Appendices A, B and C.
28. Prior to the commencement of the audit, either the Contractor or the Entity, with the consent of the State, or the State, may cancel this contract by providing written notice to the other parties. The contract may be canceled under this paragraph for cause. Cause includes, but is not limited to, failure of any party to comply with the terms of this contract or with any Administrative Rule adopted by the State under the authority of Title 2, Chapter 7, Part 5, of the Montana Code Annotated.

28. continued:

In addition, if both the Contractor and the Entity mutually agree to cancel this contract prior to the commencement of the audit, regardless of whether there is cause, the State will consent to cancellation of the contract upon written notification by the Contractor and the Entity of their agreement to cancel this contract.

The State, however, will not consent to the cancellation of an audit contract for the sole purpose of allowing the Contractor and Entity to then enter into a new contract that extends the number of fiscal years to be audited by the Contractor. Unless there are extenuating circumstances, the existing audit contract must be completed first. This provision does not prohibit the cancellation of a contract for the purpose of replacing an annual audit with a biennial audit.

29. After the audit has commenced, but before the audit report has been issued, either the Contractor or the Entity, with the consent of the State, or the State, may cancel this contract for failure of any party to comply with the terms of this contract or with any Administrative Rule adopted by the State under the authority of Title 2, Chapter 7, Part 5, of the Montana Code Annotated, or for other cause. If the contract is canceled due to the failure of the Contractor to comply, the Contractor is not entitled to the audit fee set out in this contract. If the contract is canceled due to the failure of the Entity to comply, the Entity will pay the Contractor a pro rata portion of the audit fee set out in this contract, based on the percentage of work completed at the time of cancellation. In addition, if both the Contractor and the Entity mutually agree to cancel this contract without establishing cause on the part of either party, the State will consent to cancellation of the contract upon written notification by the Contractor and the Entity of their agreement to cancel this contract.
30. The Contractor shall not assign, transfer or subcontract any portion of the contract without the express written consent of the Entity and the State.
31. By signing this contract, the Contractor certifies that it is in compliance with the continuing professional education requirements and the external quality control review requirements as set out in Government Auditing Standards, as established by the Comptroller General of the United States. The State may require the Contractor to provide evidence that it has met the above requirements.
32. If the audit is required to meet the requirements of the Single Audit Act of 1984 as amended by the Single Audit Act Amendments of 1996 and OMB Circular A-133, the Contractor certifies that neither it nor any of its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from performing audits by any Federal department or agency.
33. This Contract is governed by the laws of Montana. The parties agree that any litigation concerning this Contract in which the State is named as a party must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees. The parties also agree that any litigation concerning this Contract in which the State is not named as a party must be brought in the Judicial District in and for the County in which the Entity is located, and each party shall pay its own costs and attorney fees.
34. This contract and the attached Appendices contain the entire understanding and agreement of the parties. No modification or amendment of this contract is valid unless it is reduced to writing, signed by the parties, and made a part of this contract.

IN WITNESS WHEREOF, Contractor, Entity, and State have executed this Standard Audit Contract on the date first above written:

Certified or Licensed Public Accountant

Firm Name

By:_____
Authorized Representative

Date:_____

Governmental Entity

Entity Name

By:_____
Authorized Representative

Date:_____

**Montana Department of Administration,
Local Government Services Bureau**

By:_____
Approved By

Date:_____

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APPENDIX A

Initial or Sole Audit Under This Contract

GOVERNMENTAL ENTITY (ENTITY): _____

Telephone: _____

Address: _____

(Street Address or P.O. Box)

_____, MT
(City/Town)

(Zip Code)

Contact Person(s): _____

**PUBLIC ACCOUNTANT/ACCOUNTING
FIRM (CONTRACTOR):** _____

Telephone: _____

Address: _____

(Street Address or P.O. Box)

_____, MT
(City/Town)

(Zip Code)

Contact Person(s): _____

1. Audit Period and Dates of Engagement:

A. This audit will cover the fiscal year(s) ending

_____, _____ (and _____).
(Month & Day) (Year) (Year)

B. Date to commence audit work: _____

C. Date to submit final audit report
to Entity and State: _____**2. Time and Price for Engagement:**FY(s) Ending _____, _____ (and _____)
(Month & Day) (Year) (Year)

A. Estimated total hours - _____

B. Price for audit personnel \$ _____

Price for Travel _____

Price for typing, clerical
and report preparation _____Total price for this
engagement \$ _____**3. The reporting entity contains the following discretely presented component units:** _____**4. Date Annual Financial Report or a trial balance will be available:** _____

5. Number of copies of audit report Contractor will provide to Entity:

6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows:

7. The audit scope with regard to federal financial assistance received by the Entity for the above fiscal year(s) will be as indicated below:

☐ The audit will be a single audit conducted in accordance with the provisions of OMB Circular A-133 because the Entity expended a total amount of federal awards **equal to or in excess of \$500,000** during the fiscal year(s), or such other dollar amount as may be established by OMB that is effective for the fiscal year(s) being audited.

OR

☐ The audit will not be a single audit conducted in accordance with the provisions of OMB Circular A-133, and will not include audit coverage of any federal financial assistance in accordance with requirements of that Circular, because the Entity expended a total amount of federal awards of **less than \$500,000** during the fiscal year(s), or such other dollar amount as may be established by OMB that is effective for the fiscal year(s) being audited.

IN WITNESS WHEREOF:

Certified or Licensed Public Accountant

Firm Name

By: _____
Authorized Representative

Date: _____

Governmental Entity

Entity Name

By: _____
Authorized Representative

Date: _____

**Montana Department of Administration,
Local Government Services Bureau**

By: _____
Approved By

Date: _____

APPENDIX B

Subsequent Audit Under This Contract

GOVERNMENTAL ENTITY (ENTITY): _____

Telephone: _____ Address: _____
(Street Address or P.O. Box)

_____, MT _____
(City/Town) (Zip Code)

Contact Person(s): _____

PUBLIC ACCOUNTANT/ACCOUNTING
FIRM (CONTRACTOR): _____

Telephone: _____ Address: _____
(Street Address or P.O. Box)

_____, MT _____
(City/Town) (Zip Code)

Contact Person(s): _____

1. Audit Period and Dates of Engagement:

A. This audit will cover the fiscal year(s) ending

_____, _____ (and _____).
(Month & Day) (Year) (Year)

B. Date to commence audit work: _____

C. Date to submit final audit report
to Entity and State: _____

2. Time and Price for Engagement:

FY(s) Ending _____, _____ (and _____)
(Month & Day) (Year) (Year)

A. Estimated total hours - _____

B. Price for audit personnel \$ _____

Price for Travel _____

Price for typing, clerical
and report preparation _____

Total price for this
engagement \$ _____

3. The reporting entity contains the following discretely presented component units: _____

4. Date Annual Financial Report or a trial balance will be available: _____

5. Number of copies of audit report Contractor will provide to Entity:

6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows:

7. The audit scope with regard to federal financial assistance received by the Entity for the above fiscal year(s) will be as indicated below:

☐ The audit will be a single audit conducted in accordance with the provisions of OMB Circular A-133 because the Entity expended a total amount of federal awards **equal to or in excess of \$500,000** during the fiscal year(s), or such other dollar amount as may be established by OMB that is effective for the fiscal year(s) being audited.

OR

☐ The audit will not be a single audit conducted in accordance with the provisions of OMB Circular A-133, and will not include audit coverage of any federal financial assistance in accordance with requirements of that Circular, because the Entity expended a total amount of federal awards of **less than \$500,000** during the fiscal year(s), or such other dollar amount as may be established by OMB that is effective for the fiscal year(s) being audited.

IN WITNESS WHEREOF:

Certified or Licensed Public Accountant

Firm Name

By: _____

Authorized Representative

Date: _____

Governmental Entity

Entity Name

By: _____

Authorized Representative

Date: _____

**Montana Department of Administration,
Local Government Services Bureau**

By: _____

Approved By

Date: _____

APPENDIX C

Subsequent Audit Under This Contract

GOVERNMENTAL ENTITY (ENTITY): _____

Telephone: _____ Address: _____
(Street Address or P.O. Box)

_____, MT _____
(City/Town) (Zip Code)

Contact Person(s): _____

**PUBLIC ACCOUNTANT/ACCOUNTING
FIRM (CONTRACTOR):** _____

Telephone: _____ Address: _____
(Street Address or P.O. Box)

_____, MT _____
(City/Town) (Zip Code)

Contact Person(s): _____

1. Audit Period and Dates of Engagement:

A. This audit will cover the fiscal year(s) ending
_____, _____ (and _____).
(Month & Day) (Year) (Year)

B. Date to commence audit work: _____

C. Date to submit final audit report
to Entity and State: _____

2. Time and Price for Engagement:

FY(s) Ending _____, _____ (and _____)
(Month & Day) (Year) (Year)

A. Estimated total hours - _____

B. Price for audit personnel \$ _____

Price for Travel _____

Price for typing, clerical
and report preparation _____

Total price for this
engagement \$ _____

3. The reporting entity contains the following discretely presented component units: _____

4. Date Annual Financial Report or a trial balance will be available: _____

5. Number of copies of audit report Contractor will provide to Entity:

6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows:

7. The audit scope with regard to federal financial assistance received by the Entity for the above fiscal year(s) will be as indicated below:

☐ The audit will be a single audit conducted in accordance with the provisions of OMB Circular A-133 because the Entity expended a total amount of federal awards **equal to or in excess of \$500,000** during the fiscal year(s), or such other dollar amount as may be established by OMB that is effective for the fiscal year(s) being audited.

OR

☐ The audit will not be a single audit conducted in accordance with the provisions of OMB Circular A-133, and will not include audit coverage of any federal financial assistance in accordance with requirements of that Circular, because the Entity expended a total amount of federal awards of **less than \$500,000** during the fiscal year(s), or such other dollar amount as may be established by OMB that is effective for the fiscal year(s) being audited.

IN WITNESS WHEREOF:

Certified or Licensed Public Accountant

Firm Name

By: _____

Authorized Representative

Date: _____

Governmental Entity

Entity Name

By: _____

Authorized Representative

Date: _____

**Montana Department of Administration,
Local Government Services Bureau**

By: _____

Approved By

Date: _____